

ADMINISTRATIVE - INTERNAL USE ONLY

1 February 1985

MEMORANDUM FOR:

FROM:

SUBJECT: Replacing K's with Sierra's

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Joe, I've reviewed the data that my folks had provided Dean [redacted] To speed the activity I had Dean work directly with Geroge [redacted] Unfortunately, they didn't bother to drop a copy to me of the information, so you caught me cold.

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Now that I have had a chance to look at it, let me make the following observations:

1) Seven Sierra's replacing 13 3081K's means a net savings in space of six CPU's. Notice this is not a savings of six systems, only CPU's. For convenience, a 'CPU' is a central processing unit, including power unit, system control unit and main memory. A Sierra in no way accounts for the number of total channels, device control units, DASD required, or COMTENS (or other, equivalent, communications). The space savings in DASD is reflected in the other technology study. For ODP the same number of bytes must be supported and our plan calls for a mix of single density and dual density 3380's.

2) A savings of six CPU's results in a savings of approximately 250 square feet per CPU. As I told you, our information indicates that the Sierra may not be as efficient in space usage as the 308X family CPU's.

3) The money issue is not as meaningful for the Committee paper but the figures are reasonable. Without considering APP's, for the moment, a price of \$5M per CPU may be a bit high, but not much. I believe that by 87, only a third of the CPU's to be replaced would have any significant APP payments. The Sierra's would be placed on APP's as well. But IBM drops it prices on the older systems as it introduces the newer ones, so the APP's by 87 will not adequately offset the cost of the new machines. How much? Without knowing how much the 308X's will be discounted or what the Sierra's will cost, it is a bit difficult to say.

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I trust this helps to understand the information that we provided.

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